Report to the Legislative Assembly of Saskatchewan on the 2003 Financial Statements of CIC Crown Corporations and Related Entities

April 2004

Office of the Provincial Auditor

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April 14, 2004

The Honourable P. Myron Kowalsky
Speaker of the Legislative Assembly
Room 129, Legislative Building
REGINA, Saskatchewan
S4S 0B3

Dear Sir:

I have the honour to submit my *Report to the Legislative Assembly of Saskatchewan on the 2003 Financial Statements of CIC Crown Corporations and Related Entities* in accordance with the provisions of Section 14 of *The Provincial Auditor Act*.

Respectfully submitted,

Fred Wendel, CMA, CA
Provincial Auditor

Report on the 2003 Financial Statements of CIC Crown Corporations and Related Entities

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Purpose

The purpose of this Report is to inform the Legislative Assembly of our Office's views on the financial statements of Crown Investments Corporation of Saskatchewan (CIC), its subsidiaries, and other related entities. Our views on the financial statements of other Crown agencies are presented in a separate report.

Background

The Assembly allows the Government to appoint auditors to examine and report on Crown agencies. The Provincial Auditor, however, retains overall responsibility for the audits of all Crown agencies.

In June 1994, the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors*[1] recommended how the audit system for CIC and its subsidiary Crown corporations could function more efficiently and effectively. Our Office, CIC, CIC Crown corporations, and appointed auditors are using those recommendations to better serve the Assembly's needs. The Task Force recommended that we give the Assembly a report listing the CIC Crown corporations in whose audits we participated.

The objectives of each audit are to form the following opinions and to report the results to the Assembly.

- An opinion on the rules and procedures used by the corporation to safeguard public resources.
- An opinion on the corporation's compliance with the authorities governing its activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.
- An opinion on the reliability of the corporation's financial statements.

[1] For a copy of this report, see our web site at www.auditor.sk.ca/rrd.html

In our 2004 Report - Volume 1, we will report the results of these audits as required by *The Provincial Auditor Act*. The appointed auditors' reports on the reliability of each CIC Crown corporation's and related entity's financial statements are attached to the respective financial statements.

Results

We participated in all audits of CIC Crown corporations and related entities, except as noted in the following table.

In our opinion, for all audits we participated in and completed our work by the date of this Report, the financial statements are reliable. We will report the results of the remaining audits in a later Report.

The following table lists all CIC Crown corporations and related entities, names the appointed auditor, sets out if we participated in the audit, and states if the financial statements for the 2003 fiscal year are reliable.

Report on the 2003 Financial Statements of CIC Crown Corporations and Related Entities

Crown Agency	Appointed Auditor	Participated in Audit	Financial Statements are Reliable
Crown Investments Corporation of Saskatchewan	KPMG LLP	Yes	Yes
Capital Pension Plan	KPMG LLP	Yes	Yes
Investment Saskatchewan Inc. (formerly CIC Industrial Interests Inc.)	KPMG LLP	Yes	Yes
CIC Pulp Ltd.	KPMG LLP	Yes	Yes
CIC Foods Inc.	KPMG LLP	Yes	Yes
CIC OSB Products Inc.	KPMG LLP	Yes	Yes
CIC PVF Holdings Inc. (formerly CIC Ventures Inc.)	KPMG LLP	Yes	Yes
CIC FTLP Holdings Inc. (formerly 101012875 Saskatchewan Ltd.)	KPMG LLP	Yes	Yes
CIC FTMI Holdings Inc. (formerly 101012876 Saskatchewan Ltd.)	KPMG LLP	Yes	Yes
CIC WLSVF Holdings Inc. (formerly 101026817 Saskatchewan Ltd.)	KPMG LLP	Yes	**
PCF Investments Ltd.	KPMG LLP	Yes	Yes
WTC Investments Ltd.	KPMG LLP	Yes	Yes
CIC Swine Genetics Holdings Inc.	KPMG LLP	Yes	**
CIC Swine Genetics Inc.	KPMG LLP	Yes	**
CIC Swine Genetics (NL) B.V.	KPMG LLP	Yes	**
Genex Swine Group Inc.	*		
Saskatchewan Valley Potato Corporation	KPMG LLP	Yes	Yes
Information Services Corporation of Saskatchewan	Deloitte & Touche LLP	Yes	Yes
Saskatchewan Development Fund Corporation	EJC Dudley & Co.	Yes	Yes
Saskatchewan Development Fund	EJC Dudley & Co.	Yes	Yes
SaskEnergy Incorporated	Deloitte & Touche LLP	Yes	Yes
TransGas Limited	Deloitte & Touche LLP	Yes	Yes
Many Islands Pipe Lines (Canada) Limited	Deloitte & Touche LLP	Yes	Yes
Bayhurst Gas Limited	Deloitte & Touche LLP	Yes	Yes
Swan Valley Gas Corporation	Deloitte & Touche LLP	Yes	Yes
Saskatchewan First Call Corporation	Deloitte & Touche LLP	Yes	Yes
SaskEnergy Nova Scotia Holdings Ltd.	Deloitte & Touche LLP	Yes	Yes
SaskEnergy International Incorporated	Deloitte & Touche LLP	Yes	Yes
SaskEnergy Mexican Holdings Ltd.	Deloitte & Touche LLP	Yes	Yes
SaskEnergy Chilean Holdings I Ltd.	Deloitte & Touche LLP	Yes	Yes
SaskEnergy Chilean Holdings II Ltd.	Deloitte & Touche LLP	Yes	Yes
SaskEnergy Chilean Holdings Limitada	Deloitte & Touche LLP	Yes	Yes
Saskatchewan Government Growth Fund Management Corporation	Deloitte & Touche LLP	Yes	Yes
Saskatchewan Government Growth Fund Ltd.	*		
610277 Saskatchewan Ltd.	*		
Saskatchewan Government Growth Fund II Ltd.	Deloitte & Touche LLP	Yes	Yes
Saskatchewan Government Growth Fund III Ltd.	Deloitte & Touche LLP	Yes	Yes
617275 Saskatchewan Ltd.	*		
Saskatchewan Government Growth Fund IV Ltd.	Deloitte & Touche LLP	Yes	Yes
Saskatchewan Government Growth Fund V (1997) Ltd.	Deloitte & Touche LLP	Yes	Yes
101005716 Saskatchewan Ltd.	*		
Saskatchewan Government Growth Fund VI Ltd.	Deloitte & Touche LLP	Yes	Yes
101027596 Saskatchewan Ltd.	*		
Saskatchewan Government Growth Fund VII Ltd.	Deloitte & Touche LLP	Yes	Yes
Saskatchewan Government Growth Fund VIII Ltd.	Deloitte & Touche LLP	Yes	Yes
Saskatchewan Government Insurance	KPMG LLP	Yes	Yes
SGI Canada Insurance Services Ltd.	KPMG LLP	Yes	Yes
Insurance Corporation of Prince Edward Island	KPMG LLP	Yes	Yes
Coachman Insurance Company	KPMG LLP	Yes	Yes
Saskatchewan Government Insurance Superannuation Plan	KPMG LLP	Yes	Yes
Saskatchewan Auto Fund	KPMG LLP	Yes	Yes
Saskatchewan Opportunities Corporation	KPMG LLP	Yes	Yes
Saskatchewan Power Corporation	Deloitte & Touche LLP	Yes	Yes
SaskPower International Inc.	Deloitte & Touche LLP	Yes	Yes
Power Greenhouses Inc.	Matchett Potts & Seipp	Yes	Yes
Northpoint Energy Solutions Inc.	Deloitte & Touche LLP	Yes	Yes
Power Corporation Superannuation Plan	Deloitte & Touche LLP	Yes	Yes

Report on the 2003 Financial Statements of CIC Crown Corporations and Related Entities

Crown Agency	Appointed Auditor	Participated in Audit	Financial Statements are Reliable
Saskatchewan Telecommunications Holding Corporation	KPMG LLP	Yes	Yes
Saskatchewan Telecommunications	KPMG LLP	Yes	Yes
Saskatchewan Telecommunications International, Inc.	KPMG LLP	Yes	Yes
SaskTel International Consulting, Inc.	*		
SaskTel International (Tanzania) Ltd.	*		
Battleford International, Inc.	*		
Avonlea Holding, Inc.	*		
Carlyle Holding, Inc.	*		
Dundurn Holding, Inc.	*		
Esterhazy Holding, Inc.	*		
Foam Lake Holding, Inc.	*		
Jan Lake Holding, Inc.	*		
Katepwa Lake Holding, Inc.	*		
Melfort Holding, Inc.	*		
Nokomis Holding, Inc.	*		
Outlook Holding, Inc.	*		
Pleasantdale Holding, Inc.	*		
Rosetown Holding, Inc.	*		
Shellbrook Holding, Inc.	*		
Tisdale Holding, Inc.	*		
Unity Holding, Inc.	*		
SaskTel Holding (U.K.) Inc.	*		
SaskTel New Media Fund Inc.	*		
SecurTek Monitoring Solutions Inc.	KPMG LLP	Yes	Yes
Grenfell Holding, Inc.	*		
101000606 Saskatchewan Ltd.	*		
101000607 Saskatchewan Ltd.	*		
3339807 Canada Ltd.	*		
Qu'Appelle Holding Inc.	*		
3364381 Canada Ltd.	*		
DirectWest Publishing Partnership	KPMG LLP	Yes	Yes
SaskTel Investments Inc.	*		
Business Watch International Inc.	KPMG LLP	Yes	Yes
Business Watch International (U.S.) Inc.	*		
Hollywood At Home Inc.	*		
Hospitality Network Canada Inc.	KPMG LLP	Yes	Yes
Hospitality Network Canada Partnership	*		
Navigata Holding, Inc.	KPMG LLP	Yes	Yes
Navigata Communications Inc.	*		
Navigata Communications Inc. Pension Plan	KPMG LLP	Yes	Yes
RETX, Inc.	Grant Thornton LLP	Yes	**
SaskTel Holding (Australia), Inc.	*		
STI Communications Pty Limited	*		
SaskTel Holding (New Zealand) Inc.	*		
SaskTel Data Exchange Inc.	*		
Vanguard Holding, Inc.	*		
Saskatoon2 Management Ltd.	*		
Wadena Holding, Inc.	*		
Saskatoon2 Properties Limited Partnership	*		
Saskatchewan Telecommunications Pension Plan	KPMG LLP	Yes	Yes
Saskatchewan Transportation Company	Meyers Norris Penny LLP	Yes	Yes
Saskatchewan Water Corporation	Meyers Norris Penny LLP	Yes	Yes
2002 audits completed:			
CIC OSB Products Inc.	KPMG LLP	Yes	Yes
CIC PVF Holdings Inc. (formerly CIC Ventures Inc.)	KPMG LLP	Yes	Yes
CIC FTLP Holdings Inc. (formerly 101012875 Saskatchewan Ltd.)	KPMG LLP	Yes	Yes
CIC FTMI Holdings Inc. (formerly 101012876 Saskatchewan Ltd.)	KPMG LLP	Yes	Yes
CIC WLSVF Holdings Inc. (formerly 101026817 Saskatchewan Ltd.)	KPMG LLP	Yes	Yes

* Audited financial statements were not prepared for 2003
** Audit of financial statements was not finished at the date of this Report